

PUBLIC WORKSHOP

2013 Water Desalination Draft Proposal Solicitation



January 24, 2013—Chino

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Workshop Agenda

- Introduction to Proposition 50 Desalination
- Desalination PSP and Application Requirements
- Review and Selection Criteria
- Online Application Submittal Process
- Public Comments and Questions



Introduction to Proposition 50 Desalination

Brackish and Oceanwater Desalination

Benefits of Desalination

- Can help meet water demand by introducing a new water supply component
- Diversify the State's water portfolio
- Drought-proof
- Ocean Water Desalination - Renewable
- Brackish Water Desalination – Use of previously unusable water supplies

DWR Goal

Develop a strategic plan for adequate, reliable, secure, affordable and sustainable water of suitable quality for all beneficial uses.

Prop 50 Desalination Program Goal

Assist local public agencies with the development of new local potable water supplies through brackish water and seawater desalination.



Proposition 50 Chapter 6

“Contaminant and Salt Removal Technologies”

Provisions		Admin. by
a	Desalination of Sea or Brackish waters	• DWR
b & c	Treatment or removal of contaminants / Disinfection using UV & ozone treatment	• DWR & CDPH

Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (California Water Code Section 79500 et seq.)

Proposition 50

- Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002
- Water Code, Division 26.5
- Chapter 6, Section 79545(a)
- \$50 million
- Desalination of ocean or brackish waters



Desalination PSP and Application Requirements

Program Priorities

- Improve local water supply reliability
- Increase the knowledge base regarding desalination
- Support appropriate planning and construction of this water source alternative
- Produce a potable water supply for local users through treatment of a non-potable water supply
- Provide a reduction in either current or future Delta diversions
- Conserve energy and help the greenhouse gas (GHG) emission reduction or carbon sequestration goals
- Award “Ready to Proceed” projects

“Desalination Project”

- Construction, planning, engineering, design, environmental assessments, related work
 - Necessary for the construction of a desalination facility
- Construction of a pilot or demonstration facility
- Reference: WC §79547.2(c) added by AB 1747 (2003)

Four Project Categories

- Construction
- Pilot or Demonstration
- Feasibility Studies (brackish groundwater)
- Research (permitting threshold levels)

Construction Projects

- Design & construction of full-scale, permanent facilities and related infrastructure
- Results in operable project
 - Initial inoperable phases alone not fundable
- Design funded only with construction

Feasibility Studies

- Purpose to determine whether desalination is feasible
- If feasible, incorporate planning sufficient to begin design and implementation steps
- Reconnaissance-level master plans not fundable
- Restricted to feasibility of inland brackish water desalination

Pilot or Demonstration

- To refine design criteria
- To aid site selection
- To study particular technologies
- Purpose to lead to implementation of full-scale permanent facilities
- Prerequisite: feasibility study for full-scale project
- Excludes full-scale facilities

Research Projects

- Purpose to advance knowledge base of desalination technology, related infrastructure, by-products treatment and disposal
- Restricted to developing information to address regulatory permitting issues for desalination identified by SWRCB, CDPH, or other regulatory agencies
- Excludes project-specific studies

Ready to Proceed

- Complete or nearly complete CEQA documents
- Demonstrated public relations and public acceptance
- Completed permitting and approvals
- Executed interagency agreements
- Executed funding share commitments
- Demonstrated water need

Eligibility and Benefits

- Applicant Eligibility
- Project Eligibility
- Project Benefits
- Ineligible Projects



Applicant Eligibility

- Cities
- Counties
- Joint Power Authorities (JPAs)
- Public Special Districts, such as water or irrigation districts
- Tribes
- Non-profit organizations (including water management groups)
- Universities and colleges
- State agencies (except for construction projects)
- Federal agencies (except for construction projects)
- Other political subdivisions of the State

Project Eligibility

- Create new or alternative potable water supplies using saline water that is not currently being beneficially used
- Water sources containing Total Dissolved Solids (TDS) concentration exceeding 1,000 milligrams of salt per liter
- Salinity removal, not specific pollutant removal, must be primary purpose

Project Benefits

- Increased water supply
- Improved water quality
- Increased energy conservation
- Contribution to the reduction of GHG emission
- Increased local water supply reliability
- Improved environmental stewardship, including ecosystem restoration
- Data acquisition that supports permitting processes

Funding

- Distribution of Funds
- Eligible Costs
- Ineligible Costs
- Cost Share



Distribution of Funds

Project Category	Funding Cap per Project	Total Planned Allocation
Implementation / Construction Projects	Up to \$3,000,000	\$6,000,000
Pilots and Demonstrations	Up to \$1,00,000	\$4,500,000
Feasibility Studies (Brackish Groundwater)	Up to \$250,000	
Research (Permitting Threshold Levels)	Up to \$500,000	

Eligible Costs

- Direct administrative costs (<10% of the total eligible project)
- Contingency funds expended on an eligible cost
- Construction, fabrication, installation, and improvement of facilities
- Project-specific equipment
- Operation and maintenance during the operation of pilot or demonstration projects
- Research, cost of reports, and feasibility studies
- Force account costs
- Consultant costs
- Environmental reports

Ineligible Costs

- Expenses not identified in the Agreement scope of work
- Administrative costs > 10% of total eligible project costs.
- Operation and maintenance costs of permanent facilities
- Post-project performance and monitoring costs
- Costs incurred before award date (the date DWR announces final grant awards)
- Non-dedicated equipment that can be used for other purposes including vehicles
- Replacement of existing funding sources for ongoing programs
- Legal and court costs resulting from the CEQA process, violation of laws, or civil actions.
- Costs of land, assessments, and rights-of-way.

Grantee Cost Share

- Cost share must be:
 - 50% or more of the total eligible project cost
 - Matching funds or donated services
 - From non-state sources
 - Incurred between award date and end date of agreement
 - Directly related to the awarded project,
 - Included in the work plan of proposal and agreement
- Cost share work must be described in the project's reports

Project Duration

- The duration of majority of the awarded projects should not be longer than 2 years from the contract signing date.
- A few projects may last up to 5 years depending on availability of funds.

State Laws and Regulations Compliance

- Registered Civil Engineer
- SBX7-7, SBX7-6, AB1420, and AB1404
- Compliance with environmental laws
- Climate Change



Funded Project Requirements

- Agreement Requirements
- Project Documentation Requirements
- Additional Project Requirements



Agreement Requirements

- Grantees shall be subject to State's standard contract terms and conditions,
 - standard terms and conditions in conflict with State's or with the State's ability to administer the grant will not be permitted.
- Scope of work in the application will be the same as that in the contract but may be modified for clarity and consistency.
- Work costs incurred prior to execution of the agreement and after the contract end date will not be reimbursed.
- Applicants starting work before contract execution should do so at their own expense.
- Contract execution and disbursements are subject to the availability of funds.

Documentation Requirements

- Quarterly Reports
- Annual Reports
- Interim Project Documents
- Final Report
- Performance Reports – Report annually for a period of 5 years
- Disbursement Requests – Use DWR invoice forms. Supported by quarterly reports describing work performed and by other documentation as prescribed by DWR

Additional Project Requirements

- **Labor Code Compliance.** Applicants must comply with all applicable laws when it hires private consultants to implement its project.
- **Conflict of Interest.** All participants are subject to State and Federal conflict of interest laws.
 - Current and Former State Employees.
 - Employees of and Consultants to the Funding Recipient.
- **Confidentiality.** Applicant waives rights to privacy and confidentiality of the proposal.
- **Rights in Data.** State shall have the right to use project data, written or graphic work for any public purpose and the materials shall be in the public domain. Funding Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
- **Financial Records.** Grantees must maintain budgetary records for a 3 years. Projects may be audited.

Review, Selection, Award

- Proposals screened for eligibility
- Selection panels review and score eligible proposals
- If needed, staff interviews applicants or visits proposed projects.
- Staff and review panel prepare list of draft funding recommendations
- A public workshop is held to release the draft funding recommendations.
- Public comment period and applicant appeal period
- Final funding decision and awards of grants
- Contract negotiations with each awarded applicant
- Execute final contracts.

Review, Selection, Award

December 26, 2012	PSP posted online
January 24, 2013	Draft PSP Workshop Chino
January 28, 2013	Draft PSP Workshop Sacramento
February 8, 2013	Comments on Draft PSP Due
March XX, 2013	Release of Final PSP
March XX, 2013	Final PSP Workshop Sacramento
April XX, 2013	Proposals Due, 5 pm PDT
May 2013	Announce Draft Funding Awards
May 2013	Draft Funding Awards Workshop Sacramento
June 2013	Announce Final Funding Awards
June 2013	Contract Negotiations Begin
Fall 2013	Contracts Executed & Projects Begin

Application

Applications must be submitted both online and with a hard copy.

- Submit **ONE** hard copy version of application postmarked by **April XX, 2013 PDT** to DWR.
- Online by **5:00 pm on April XX, 2013 PDT**

Note: The online system will not accept submittals after the due date.

Submit proposals through DWR's Online Submittal Tool "BMS": <http://www.water.ca.gov/bms/>.

Videos on [Registration](#) and [Completing a Grant Application](#) can be accessed through the Help tab at the above site.

Application Components

Part	Application Component (Tab)	Description	How Completed
1	Applicant Information	General information for lead applicant	BMS-Online Submittal Tool
2	Projects	Project-related information	BMS
3	Eligibility	Forms and tables to provide project details: schedule, budget, and project participants information	BMS
4	Attachments	20 Separate files needed to complete application.	Templates uploaded via BMS.



Review and Selection Criteria

EXHIBIT H

Review And Scoring Criteria

- 12 Scoring criteria
- 100 Points maximum
- Projects are required to have a total score of at least 70 to be considered for funding.
- Project must receive at least half of the available points for each scoring criterion to be considered for funding.
- Final grant awards decision is at the discretion of DWR.

Scoring Criteria	Possible Points
1. Meets a screening criteria (Section 8 of the PSP).	yes/no
2. Provides water supply benefits and demonstrates a water need or facilitates the statewide permitting process.	15
3. Complete project documents and could commence within 3 to 6 months of completing state contracting.	10
4. Project team experience, ability and availability. Favorable DWR history, if applicable.	10
5. Evaluated project alternatives.	10
6. Project has community support and an outreach program with continuous public involvement.	10

Scoring Criteria	Possible Points
7. Work plan is complete, implementable, and clearly written.	10
8. Budget is complete, implementable, and clearly written.	10
9. Complete and implementable schedule?	5
10. Has the benefits and cost analysis been completed and does the project provide positive benefit?	5
11. Completed green house gas calculation appears reasonable compared to alternatives.	5
12. Project is technically feasible and justifiable.	10



Public Comments and Questions

Contact Information

- **For questions on the Grant Program and Application Process:**
 - **Richard Mills (916) 651-0715**
 - **Email: DesalPSP@water.ca.gov**
- **For questions on the BMS Online Submittal Tool:**
 - **DWR (888) 907-4267**
 - **Email: GRanTSadmin@water.ca.gov.**
 - **Website: <http://www.water.ca.gov/bms/>.**